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**1962/12/21**

Subject to slight  
editorial changes in  
Spanish translation. JBC.

12/21/62

# MEMORANDUM OF AGREEMENT

Between representatives of the Government of Cuba and the Cuban Families Committee for the Liberation of Prisoners of -- War Inc. made in Havans this 21st. day of December, 1962.

- 1.- The basic understanding of the parties, on matters previously agreed upon, is ratified and confirmed.
- 2.- This memorandum is designed for the further assurance - of the Government that the Committee in good faith and to the best of its ability will perform its pledges to the Government.
- 3.- The Committee agrees that it will exert every effort to supply the Government with medical and pharmaceutical -- supplies, including foodstuffs nutritious for children - before July 1st. 1963 and in conformity with the list - prepared by the Government.
- 4.- The values shall be determined as provided in the Le -- tter of Credit issued to the Government today by the Royal Bank of Canada, Montreal.
- 4A- 15% shall be the agreed percentage to cover all cost of transportation (land, sea and air), all insurances, all overseas packing and any and all other charges beyond - the FOB prices.
- 5.- To the extent that the Committee certifies that it is - absolutely unable to supply any items in whole or in the quantities specified in the Government list, the Gover - ment shall specify other alternatives and the Committee shall make every effort to obtain such substitute materials. However, in the event the Committee finally -- certifies that it has exhausted all such alterations, - the Government shall have the right to have the equiva-- lent value supplied in basic foodstuffs nutritious for-

children, such as the materials referred to in the first list supplied to the Committee by the Government.

- 6.- This is an agreement in which the utmost good faith is required on the part of both parties, who agree that time is of the essence and every effort humanly possible will be made to effect the exchange of the prisoners upon delivery of the first shipment covered by the Letter of Credit. To that end the Government shall send today to Miami, Florida, U. S. A. several representatives of the Cuban Red Cross who shall, together with representatives of the American Red Cross and the Committee inspect the shipments.
- 7.- Dr. Donovan will remain in Havana to complete the attestation in the Canadian Embassy to make effective the Letter of Credit in accordance with its terms.
- 8.- A copy of this memorandum shall be deposited with the Royal Bank of Canada, to clarify the intent of the parties under the Letter of Credit.
- 9.- The Government states its intention that the materials supplied under the agreement satisfy the indemnity fixed by the Revolutionary Tribunals which passed judgement, upon the happenings of the Bay of Pigs.

For the Government

For the Committee

Chairman

General Counsel

**DRAFT FOLLOWS**

MEMORANDUM FOR THE SECRETARY

RECOMMENDATION FOR THE RECOGNITION OF CUBA (HEREINAFTER  
REFERRED TO AS THE GOVERNMENT) AND THE CUBAN FAMILIES COA-  
ALITION (HEREINAFTER REFERRED TO AS WAR, INC.) (HEREINAFTER  
REFERRED TO AS THE LATTER BEING A CORPORA-  
TION WHICH IS IN CONFORMANCE WITH THE LAWS OF THE STA-  
TE OF FLORIDA AND THE STATES OF AMERICA, AND RECOGNIZED  
AS SUCH FOR THE PURPOSES OF THE TREASURY DEPARTMENT OF THE  
UNITED STATES AND WHOSE GOVERNMENT THE GOVERNMENT OF  
THE UNITED STATES HAS PUBLICLY DECLARED ITS SYMPATHY :

The Committee hereby guarantees to the Government that it  
 has received the assistance of War, Inc. and  
War, Inc. both of which are publicly owned  
 United States corporations, have international reputations of  
 the highest order and have many subsidiaries throughout the  
 world, (including Latin America) that each company shall lend  
 its best efforts and resources (a) to assist the Committee to-  
 ward the attainment of the Committee's objectives, (b) to in-  
 duce other similar organizations of comparable reputation in  
 the pharmaceutical field also to assist the Committee, and (c)  
 to continue the general arrangements exemplified by the first  
 delivery until final completion of the agreement to the best  
 of their abilities, all of the foregoing designed to carry out

in all respects the following terms of this agreement:-----  
1.-The Committee guarantees to deliver to the Government, in Havana, materials consisting of drugs, medicines and medical supplies of a wholesale catalog value in Havana in the total amount of fifty million dollars (\$50,000,000) \* which the Committee will obtain from the Spaniards because of the humanitarian nature of the matter at discounts of at least 80% or more where possible.

(\* All dollars mentioned are Canadian dollars, at the request of the Royal Government of Canada)

3.-The Committee further guarantees that the total cost of making such deliveries (including the cost of packing for overseas shipment, any and all insurance premiums and all costs of transportation, whether by air or by sea) shall be paid by the Committee, in addition to the values specified in Paragraph "2" of this agreement.

4.-The Committee agrees further, as evidence of good faith, that the first shipment of such articles shall consist of approximately twenty per cent (20%) of the total values specified in Paragraph "2" of this agreement and shall be delivered by air freight to Havana before any prisoners who are the subject of this negotiation are released.

5.-The first shipment shall consist of the schedule of materials immediately available, a copy of which list has been given to the Government. It shall also include, to the extent necessary to reach the total of ten million dollars (\$10,000,000) in such wholesale values, materials conforming as nearly as possible to those specified in a list to be provided by the Government.

6.-It is understood by the parties that the medical supplies shall include as much as possible in the form of medical food formulated for infants and in any event the amount of such formulae shall have a wholesale value of five million dollars (\$5,000,000).-----

7.-To guarantee the foregoing, in addition to the actual delivery of the first shipment, which shall approximate ten million dollars (\$10,000,000) in wholesale values, the Committee has deposited with the Bank of Montreal, in Montreal, Canada, an amount approximately equaling seventeen million dollars (\$17,000,000) and with same bank an irrevocable Letter of Credit in that amount has been purchased from the Royal Bank of Canada, for the specified purpose of completing this transaction and no other purpose; the existence of this irrevocable Letter of Credit may be confirmed to the Government through the Montreal Office of the Royal Bank of Canada.-----

8.-The Committee guarantees to the Government that the Committee and the pharmaceutical companies shall take every measure in good faith to assure that all materials delivered after the first shipment shall be of the highest quality, in conformity with the international reputation of the pharmaceutical companies, and shall be at their standard wholesale prices for Cuba.-----

9.-After the first shipment, the Committee undertakes to receive from the Government lists of drugs, medicines and medical supplies to be provided by the Government, from time to time, and shall make every reasonable effort to conform to the quantities and other specifications in such lists.--

it being contemplated by

the parties that all deliveries be completed within six months from the date hereof and in no event more than nine months.--

10.--In addition to all the foregoing, the Committee affirms that it now has on deposit in The Royal Bank of Canada, Montreal Branch, the sum of two million, nine hundred and twenty five thousand dollars (\$2,925,000) to be used in order to discharge the separate personal obligation undertaken by the Committee on April 14th, 1938, when the Government released 66 badly wounded prisoners in return for such a commitment.--

11.--Upon the execution of this agreement, and upon mutual agreement as to a time schedule of deliveries and exchanges, but before the release of the prisoners, the Committee shall arrange to have the \$2,925,000 delivered to Havana and the two million, nine hundred and twenty five thousand dollars (\$2,925,000) transferred from the Committee's account to the account of the Government or its representatives in The Royal Bank of Canada, in Montreal, Canada, a fact to be confirmed by telephone by the representative of The Royal Bank of Canada in Havana.-----

12.--The Committee warrants that the total value to the Cuban Government of the values referred to in Paragraphs "2", "3" and "10" of this agreement substantially satisfies the Government's claim for indemnification in this matter.-----

13.--Finally, the Committee agrees that at all times it shall exercise the utmost good faith in carrying out not only the letter but the spirit of this agreement.-----

Subj

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14.--In return for the foregoing and immediately after official

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notice of the transfer of the two million, nine hundred and twenty-five thousand dollars (\$2,925,00) and the receipt in Havana of the first shipment described above, the Government shall release to the Committee for Identification at Havana Airport, for expedited transportation to the United States by airplane provided by the Committee the one thousand, one hundred and thirteen (1,113) prisoners who are the remaining survivors in Cuba of the Battle of the Bay of Pigs, for whose release the Government has been primarily negotiating; the Committee's prisoners shall be permitted to arrive and depart without any delay on the part of the Government.-----

15.- The Government agrees to carry out its obligations under this agreement with the utmost good faith.-----

16.- Both parties agree that it is not in the best interest of future relations that the complete text of this agreement be made public except by written consent of both parties.-----

Havana, Cuba, October 1962.

GUARANTEE COMMITTEE  
FOR LIBERATION OF PRISONERS  
OF WAR, INC.

GOBIERNO REVOLUCIONARIO  
DE CUBA.

Alvaro Sánchez, Jr.  
President.

Dr. Fidel Castro Ruz  
Primer Ministro.

Ernesto Freyre  
Secretary

James B. Donovan  
General Counsel